ambiguity, and as such was subject to the interpretation of the court, without the introduction of extrinsic parol evidence. A further contention of the dissenting Justices was that all of the provisions of the contract should have been looked to in arriving at the meaning of the language used, and that this being done no ambiguity arose. *Douglass & Varnum* v. *Village of Morrisville,* (Vt. 1915) 95 Atl. 810.

The three rules which prevail as to ambiguities are stated as follows: first, where the instrument itself seems to be clear and certain on its face, and the ambiguity arises from some extrinsic or collateral matter, the ambiguity may be helped by parol evidence; second, where the ambiguity consists in the use of equivocal words designating the person or subject matter, parol evidence may be introduced for the purpose of aiding the court in arriving at the meaning of the language used; third, where the ambiguity is such that a perusal of the instrument shows plainly that something must be added before the court can determine what of several things is meant, the rule is inflexible that parol evidence cannot be admitted to supply the deficiency. *Palmer* v. *Albee,* 50 Ia. 429. The majority opinion seems to be that the situation presented comes within the second rule stated. Inasmuch as the second rule refers to the designation of subject matter not included within the contract, and here the plans and specifications and hence "the lines and levels" referred to, were part of the contract itself, it would seem at least doubtful whether it is the second or the third rule above which applies. If it be true that the parties had a fixed and definite meaning by using the words "lines and levels," and this can be ascertained by allowing parol evidence, the view of the majority finds support in the weight of authority. But if the parties themselves had no definite meaning, or if their meanings were at variance, the admission of parol evidence would be clearly erroneous because the evidence would be making the contract and not the language of the instrument or the intention of the parties. *Doyle* v. *Teas,* 4 Ill. 202; *King* v. *Merriman,* 38 Minn. 47, 35 N. W. 570. The liberal rule is that, the object of the rules regarding ambiguity being to arrive at the intention of the parties, parol evidence which will effect such intention should be admitted. *Gallagher* v. *Black,* 2 Me. 99. The position of the dissenting Justices is undeniably sound on their contention that if the ambiguity can be cleared up by other statements in the same contract, this should be done and parol evidence to explain a statement taken out of its context should not be admitted. *Berridge* v. *Glassey,* 112 Pa. St. 442, 3 Atl. 583; *Atlantic, &c. R. Co.* v. *Atlantic, &c. Co.,* 147 N. C. 368, 61 S. E. 185.

CORPORATIONS.—BEGINNING BUSINESS BEFORE ALL THE CAPITAL STOCK IS SUBSCRIBED.—Defendant, who owned $14,600 worth of merchandise, transferred it to a corporation capitalized at $15,000. Only $10,000 worth of stock was subscribed for and consequently defendant was given credit on the corporation's books for $4,600, which sum was paid to him from time to time, out of the assets and profits. After having conducted its business for a few years the company became insolvent. *Held,* in an action by the trustee

in bankruptcy against defendant, who was president and general manager of the company, that he was not liable beyond $3,300, the amount for which he originally subscribed, even though the statute forbade the corporation to commence business before the whole amount of the capital stock was subscribed. *McKay* v. *Garman,* (Wash. 1915), 153 Pac. 1082.

The undoubted weight of authority is to the effect that a corporation such as the one in this case has at least a de facto existence. *Roosevelt, et al.* v. *Hamblin,* 199 Mass. 127, 85 N. E. 98, 18 L. R. A. (N. S.) 748; *Abbott* v. *Omaha Smelting and Refining Co.,* 4 Neb. 416; *New Haven & D. R. Co.* v. *Chapman,* 38 Conn. 56; *Com.* v. *Wm. Mann Co.,* 150 Pa. 64, 24 Atl. 601; *Nemaha Coal & Mining Co.* v. *Settle,* 54 Kan. 424, 38 Pac. 483; *Ossipee Hosiery & Woolen Mfg. Co.* v. *Canney* 54 N. H. 295; *Falconer* v. *Campbell,* 2 McLean 195; *Hunt* v. *Kansas & M. Bridge Co.,* 11 Kan. 412; *Braintree Water Supply Co.* v. *Braintree,* 146 Mass. 482, 16 N. E. 420; *Judah* v. *American Livestock Ins. Co.,* 4 Ind. 333; *Union Water Co.* v. *Kean,* 52 N. J. Eq. 111, 27 Atl. 1015. Hence, defendant's liability was properly limited to that of a stockholder, for there was unquestionably an "organization for the purpose of transacting business." But see *Walton* v. *Oliver,* 49 Kan. 107, 33 Am. St. R. 355, 30 Pac. 172; *Kaiser* v. *Lawrence Savings Bank,* 56 Ia. 104, 41 Am. R. 85; *Coleman* v. *Coleman,* 78 Ind. 344; *McVicker* v. *Cone,* 21 Or. 353, 28 Pac. 76; *Mokelumme Hill Min. Co.* v. *Woodbury,* 14 Cal. 424, 73 Am. Dec. 658. The doctrine of the case is based on the theory that the statute in question is directory only, and consequently that, so long as the state makes no affirmative move to compel compliance therewith, the acts of the corporate officers are as immune from attack as the acts of officers representing a de jure corporation. This decision is approved and followed in most states, but has been repudiated in others, either on the grounds of fraud or on the grounds that the officers are bound as agents of a principal incapable, because of the unsubscribed stock, of being bound except to a prescribed and definite amount. *Welchselberg* v. *Flour City Nat. Bank,* 64 Fed. 90, 26 L. R. A. 470, 12 C. C. A. 56; *Burns* v. *Beck & G. Hardware Co.,* 83 Ga. 471, 10 S. E. 121; *People* v. *Chalmers,* 42 Cal. 201; *Farmers' Co-operative Trust Co.* v. *Floyd, et al.,* 47 Oh. St. 525, 12 L. R. A. 346, 21 Am. St. R. 46, 21 N. E. 110. It seems, however, that the decision in the principal case is logical and consonant with the legal conception of the status of a de facto corporation. The fact that the corporation does exist and that a judgment on its contracts may be rendered and enforced against it is conclusive that the officers had authority to make those contracts, and creditors ought to be estopped to controvert that authority. *Am. Radiator Co.* v. *R. J. Kinnear, et al.,* 56 Wash. 210, 105 Pac. 630, 35 L. R. A. (N. S.) 453.

CORPORATIONS.—BURDENS ON FOREIGN CORPORATIONS.—The plaintiff instituted a suit in replevin to obtain possession of certain personal property which was being withheld by a sheriff. Defendant, as intervener, answered by alleging that the plaintiff, a foreign corporation, had no right to sue in the courts of the state, because it had failed to comply with a certain statute, the provisions of which required all foreign corporations, regardless of